

MEMORANDUM

To: File(s) 37-26 and 37-27

From: Cherie Palmer

Date: April 19, 2013

Re: Review/Analysis for Application to Rent Water from the State Water Supply Bank

PURPOSE/NARRATIVE: The purpose of this rental is to add flow through water for ponds located at Heart Rock Ranch located ~5 miles upstream from Magic Reservoir. There are existing rights that provide for flow through and storage in the ponds that are depicted on the application map. It appears that the existing diversion rate for flow through in the ponds is 10.75 cfs and the permit that provides for storage is for 76.36 cfs and 815.5 af. The rental is for one year and the use will be non-consumptive according to the applicant as the water will re-enter into the Big Wood.

AUTHORITY TO FILE: Harry Hagey signed the application and is the owner of Hart Rock Ranch LLC.

WATER RIGHT VALIDITY: Water rights 37-26 and 37-27 have been leased to the bank since 2003. I have confirmed that the rights have not been used while in the bank. It actually appears that these rights have never used at the current POU (POU changed through a transfer in 1985). The rights have been decreed in the SRBA.

INJURY TO OTHER WATER RIGHTS: On the surface it seems awkward to approve a rental when the lease PD is several miles upstream of the proposed rental PD; however, I discussed this issue with Zach Latham of Brockway on 4/17 and found that the PD in Section 12 is the Bypass canal which is administered downstream, at the most southern rental PD in Section 2 (a point of rediversion).

ENLARGEMENT OF USE: The applications did not include a volume since the applicant maintains that the use will be non-consumptive but, there must be a volumetric limit in order to ensure that enlargement doesn't occur and a way of calculating the rental fee. The volume I will assign to the rental will be based on the consumptive use for the area since the use is changing from irrigation to wildlife, recreation and aesthetic. The standard consumptive use volume for this area is 2.5 afa/acre therefore, the rental agreement will include a volume of 171 acres x 2.5 af = 427.5 af.

Another item to be aware of is the overlapping AJ records that have been objected to in the SRBA. Rights 37-891A, 37-892, 37-20945, and possibly 37-891C all overlap the POU for 37-26/27. A final resolution has not been met for those rights at this time. I researched the backfile of the leased water rights to see how they might combine and

couldn't find any information that was helpful. In the future, once the final dispositions of the objected water rights have been met, there may be further consequences for the lease under 37-26/27. Note that if the rental applicant purchases water rights 37-26/27, any subsequent transfer application must take the overlapping rights identified above in order to determine enlargement.

LOCAL PUBLIC INTEREST:

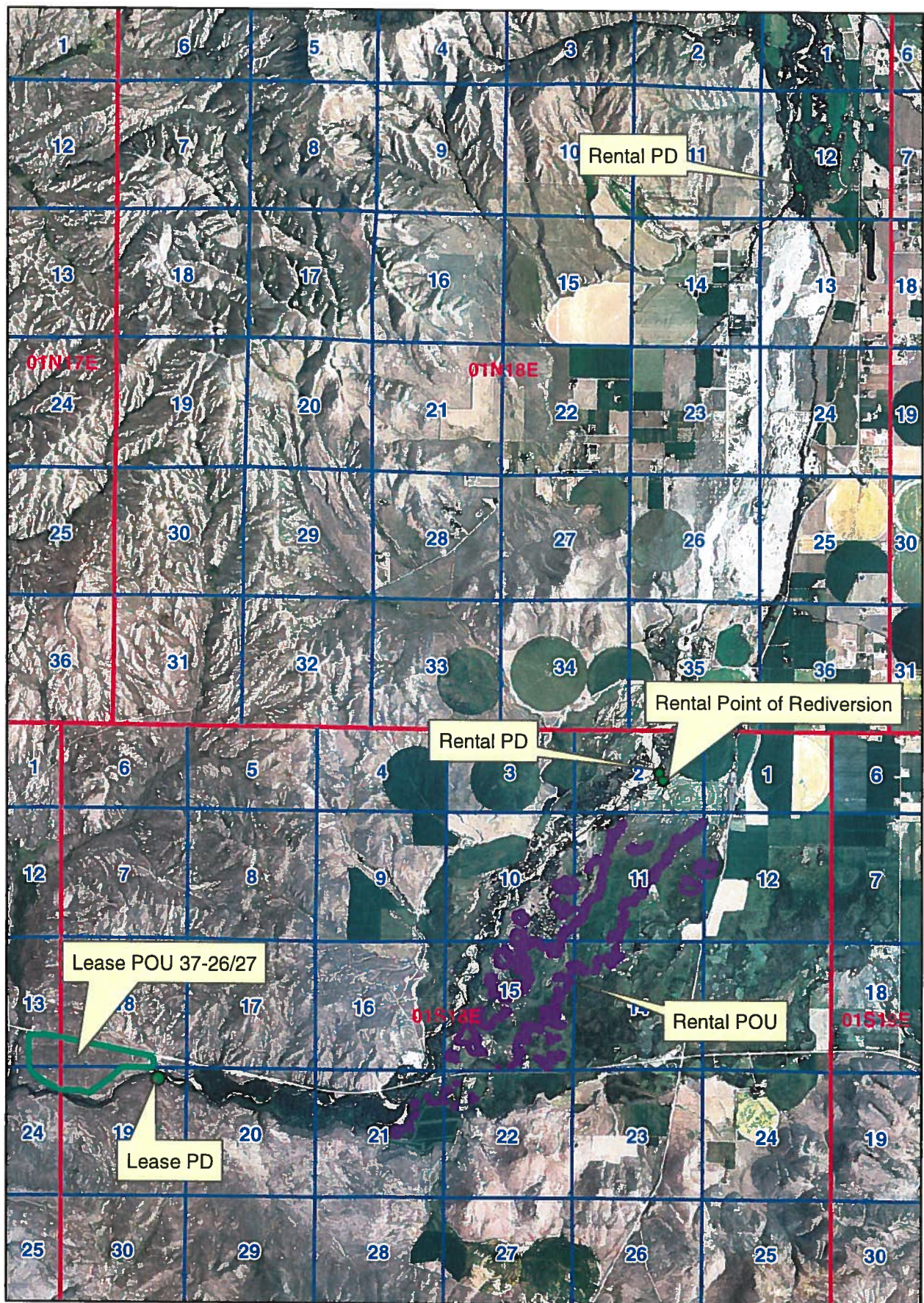
Review staff has no information to suggest this application is inconsistent with the local public interest.

BENEFICIAL USE/CONSERVATION OF WATER RESOURCES:

The rental appears consistent with conservation of water resources in Idaho.

DEPARTMENT STAFF OR WATERMASTER COMMENTS:

The watermaster did not oppose this application for rental. Regional manager, Allen Merritt, commented on overlapping SRBA rights but did not oppose the approval of this rental.



Palmer, Cherie

From: Merritt, Allen
Sent: Thursday, April 18, 2013 7:40 AM
To: Palmer, Cherie
Cc: Jones, Doug; Spencer, Nick
Subject: RE: Heart Rock Ranch WSB Rental Apps

One issue with this may be the Upper Wood River Water Users Assn Inc shares on the property that 37-26 & 37-26 are located. (See recommendations for 37-892 and 37-891A.)

From: Palmer, Cherie
Sent: Wednesday, April 17, 2013 5:31 PM
To: Merritt, Allen; watermanager@cableone.net
Subject: Heart Rock Ranch WSB Rental Apps

Hello Gentlemen,

I am reviewing an application from Heart Rock Ranch to rent water under 37-26 and 37-27. They want to rent them in order to have extra water this year for flow thru in the ponds. Sounds like they actually are thinking about purchasing those rights according to Zach Latham of Brockway but, for now the rental is for this year only. The applications have been scanned in to files 37-26 and 37-27 for your reference (there are two applications but really they are doing the same thing—just dealing with different water right numbers).

I had a concern with overlapping permit 37-22459's condition that says they have to dry-up 47.5 acres. There was nothing in the file showing they complied with that condition but, apparently they idled all their acres in 2011. Zach said that he would provide some confirmation of that.

If you have any concerns or comments please let me know. Thanks for your time!

Cherie

Palmer, Cherie

From: Kevin Lakey [watermanager@cableone.net]
Sent: Thursday, April 18, 2013 8:44 AM
To: Palmer, Cherie; 'Zach Latham'
Subject: RE: Heart Rock Ranch WSB Rental Apps

Cherie,

I can confirm that Heart Rock Ranch did not divert water consistently in 2011 until September 8. When they started diverting they were diverting 14 to 17 cfs and were entitled to 33. There were definitely dried up acres that year that would have met the 47.5 acre requirement. I hope this helps.

Kevin Lakey

From: Palmer, Cherie [mailto:Cherie.Palmer@idwr.idaho.gov]
Sent: Wednesday, April 17, 2013 5:31 PM
To: Merritt, Allen; watermanager@cableone.net
Subject: Heart Rock Ranch WSB Rental Apps

Hello Gentlemen,

I am reviewing an application from Heart Rock Ranch to rent water under 37-26 and 37-27. They want to rent them in order to have extra water this year for flow thru in the ponds. Sounds like they actually are thinking about purchasing those rights according to Zach Latham of Brockway but, for now the rental is for this year only. The applications have been scanned in to files 37-26 and 37-27 for your reference (there are two applications but really they are doing the same thing—just dealing with different water right numbers).

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If you have any concerns or comments please let me know. Thanks for your time!

Cherie

Palmer, Cherie

From: Zach Latham [zach.latham@brockwayeng.com]
Sent: Friday, April 19, 2013 2:40 PM
To: Palmer, Cherie
Subject: Heart Rock Ranch LLC WSB Rentals: 37-26 and 37-27

Cherie-

Per our telephone conversation this morning, please omit the following PLSS descriptions from Heart Rock Ranch LLC's proposed water supply bank rental applications for water rights 37-26 and 37-27 as the map that accompanied the applications shows the correct POU. Please omit the following 5 PLSS Quarter Quarters from both applications:

T.01S R.18E SEC. 14 NENE, NWNE, SWNE, SENE.

T.01S R.18E SEC. 15 NWNW.

It is my understanding that with receipt of this email, draft approvals will be sent to Pam Skaggs for her review. Please let me know if you have any additional comments or questions regarding these applications. Thanks again for your assistance, we really appreciate it.

Zach Latham

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All information, calculations, maps, drawings, or other documents transmitted via e-mail are preliminary unless explicitly stated in the e-mail text or in the documents themselves.